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22

ANNUAL REPORT



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Cover Photograph By Walter Lagarenne																	



“Every container we move represents an economic opportunity.”



Photograph by English Purcell

A LETTER FROM THE CEO

BARBARA MELVIN

PRESIDENT & CEO

Following the most successful fiscal year in our port's history, we move forward as a smarter port operator and a stronger maritime community.

SC Ports handled unprecedented cargo volumes in fiscal year 2022, setting TEU records for 11 of the months. The Port of Charleston moved a record 2.85 million TEUs last fiscal year, up 12% from the year prior. Record imports drove this growth, while ongoing pandemic disruptions revealed constraints in the global supply chain.

Our port team was put to the test, working tirelessly to deliver goods to communities, hospitals, manufacturers and retailers. We implemented creative solutions, including prioritizing vessels, leasing new SC Ports' chassis, hiring 150 people in operations and extending gate hours. These measures benefited customers and improved the lives of motor carriers.

Our teammates' unwavering dedication amid great challenges kept freight moving through the supply chain. It is a true honor to lead the most talented port team in the country.

Operational excellence remains the cornerstone of everything we do. It is the key to supporting our customers and growing our cargo base, especially as we focus on moving more goods for major retailers and import distribution centers.

We are building capacity ahead of demand to meet customers' needs. We have invested more than \$2 billion into port assets in recent years. The new Leatherman Terminal adds a much-needed berth to the East Coast, and two more berths will support future growth. The modernized Wando Welch Terminal boasts 15 ship-to-shore cranes with 155 feet of lift height.

The ongoing expansion of Inland Port Greer enhances cargo and rail capacity in the Upstate. The Charleston Harbor Deepening Project is nearing completion; vessels can now benefit from the 52-foot depth up to our two biggest container terminals. Our port-owned and port-operated SMART Pool™ deploys new chassis into the Southeast port market.

The new Navy Base Intermodal Facility will bring near-dock rail to the Port of Charleston, and a new inner-harbor barge operation will transport containers

between Wando and Leatherman terminals. These \$550 million projects will support the efficient movement of goods for our customers and greatly enhance our rail competitiveness.

This critical infrastructure would not be possible without the support of the SC Legislature and Governor McMaster. Our state leaders recognize that investing in SC Ports helps port-dependent businesses flourish, bringing jobs and investments to our communities.

SC Ports will continue to deliver on our commitment to provide operational excellence, build critical infrastructure, grow and anchor our cargo base, and care for our people.

The jobs created on our waterfront make a generational impact in our communities, and every container we move represents an economic opportunity.

In partnership with all those who work on the docks and in our terminals, we will continue to succeed as a top 10 U.S. container port. Together, we will achieve great things and leave a lasting legacy for South Carolina.





Photograph by English Purcell

LETTER FROM THE CHAIRMAN

BILL STERN

CHAIRMAN OF THE BOARD

Having a top 10 U.S. container port in South Carolina is an incredible economic advantage for our state.

South Carolina Ports attracts companies to establish new operations, bringing billions of dollars and thousands of jobs to our state. Port operations also support our well-established partners, many of whom have moved goods through the Port of Charleston for decades and continually grow their workforces.

Port-dependent businesses benefit from having a well-run port in their backyard. This is true of our state's biggest companies – advanced manufacturers, automakers, mega retailers and healthcare systems – as well as many small business owners and agricultural producers who depend on access to global markets.

A great deal of South Carolina's success is intrinsically tied to our world-class port system – a direct result of strategic investments made in port infrastructure.

In recent years, we have invested to deepen Charleston Harbor to 52 feet, open Phase One of Leatherman Terminal, modernize Wando Welch Terminal, open rail-served Inland Port Dillon, expand rail-served Inland Port Greer and launch the port-owned and port-operated SMART Pool™. These investments highlight our statewide

presence and impact, as well as allow SC Ports to handle more cargo and bigger ships for our customers.

The decision to invest in expanded terminals and modern container-handling equipment proved absolutely critical over the past year, as record import volumes came through the Port of Charleston and global supply chain challenges continued. We must continue to deliver fluidity to the Southeast supply chain.

SC Ports is now developing the Navy Base Intermodal Facility, a dual-served rail facility that will provide much-needed near-dock rail to the Port of Charleston, and an inner-harbor barge operation, which will ferry cargo between terminals as a creative solution to trucking capacity.

The SC Legislature and Governor McMaster approved \$550 million to fund these key infrastructure projects, and we sincerely thank them for their confidence. We are fortunate that our state leaders understand that SC Ports is a tremendous economic engine for South Carolina.

These projects are the final pieces of a successful investment plan, ensuring that we can efficiently handle cargo growth for decades to come and that we will remain competitive as a top U.S. container port.

On the heels of a record-breaking fiscal year, we thank former president and CEO Jim Newsome for his 13 years of leadership. We will undoubtedly continue to grow with Barbara Melvin at the helm as president and CEO. With great support from our state, board, customers and maritime community, SC Ports will continue to succeed for South Carolina.



**HENRY
MCMASTER**

SOUTH CAROLINA GOVERNOR

“Through well-planned, targeted investment, South Carolina Ports has positioned itself as a top driver of South Carolina’s economy. Our investments into critical port infrastructure have attracted world-class companies to South Carolina and helped our existing businesses thrive. SC Ports keeps South Carolina globally competitive and creates great jobs for our citizens. We look forward to the continued growth of our port.”

**OUR
MISSION**

South Carolina Ports Authority promotes, develops and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina.

**BOARD OF
DIRECTORS**



Bill Stern
Chairman



Dave Posek
Vice Chairman



Kurt Grindstaff
Treasurer



**Willie
"Coach"
Jeffries**
Secretary



**Whit
Smith**



**Pam
Lackey**



**Mark
Buyck**



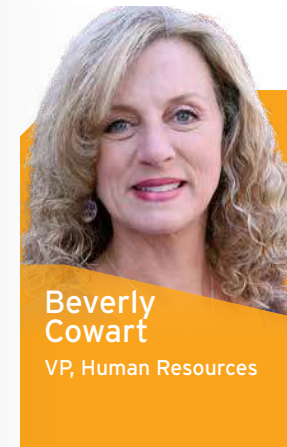
**Bill
Coates**



**Felicia
Howard**

LEADERSHIP

SC Ports' leadership team brings a breadth of experience and diverse backgrounds, ensuring the Port of Charleston continues to flourish as a top 10 U.S. container port. The leadership team oversees the fulfilling of SC Ports' mission and remains committed to delivering on four strategic priorities.



Effective 7/1/2022

FINANCIALS

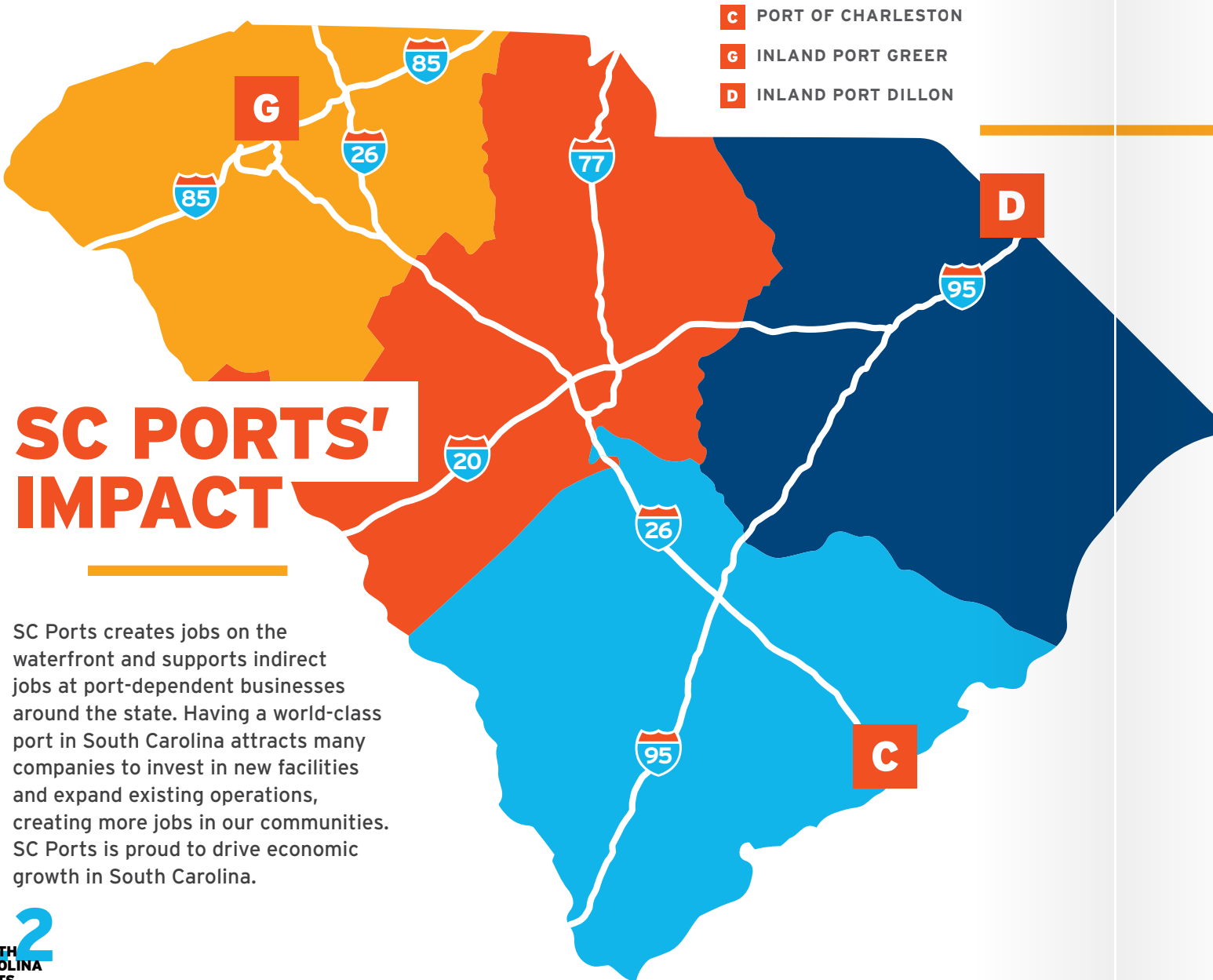
CONDENSED STATEMENTS

JUNE 30, 2022 & 2021 | IN THOUSANDS

NET POSITION	FY 2022	FY 2021
ASSETS		
Current assets	\$ 608,366	\$ 512,550
Non-current assets and investments	1,922,807	1,801,633
Total assets	2,531,173	2,314,183
Deferred outflows of resources	76,216	74,615
Total assets and deferred outflows of resources	\$ 2,607,389	\$ 2,388,798
LIABILITIES		
Current liabilities	\$ 94,046	\$ 94,768
Non-current liabilities and long-term debt	1,726,941	1,563,391
Total liabilities	1,820,987	1,658,159
Deferred inflows of resources	31,648	14,997
Total liabilities and deferred inflows of resources	1,852,635	1,673,156
NET POSITION		
Invested in capital assets, net of debt	488,248	521,168
Restricted for debt service, net of debt	37,795	35,774
Unrestricted	228,711	158,700
Total net position	754,754	715,642
Total liabilities, deferred inflows of resources & net position	\$ 2,607,389	\$ 2,388,798

REVENUES / EXPENSES / CHANGES IN NET POSITION	FY 2022	FY 2021
Operating revenues	\$ 443,102	\$ 312,772
Operating expenses	344,550	275,730
Operating income	98,552	37,042
Non-operating expenses, net	(63,295)	(66,983)
Excess revenues over expenses before capital contributions	35,257	(29,941)
Capital contributions and special items	3,855	1,490
Change in net position	\$ 39,112	\$ (28,451)
Beginning of year	715,642	744,093
End of year	\$ 754,754	\$ 715,642

CASH FLOWS	FY 2022	FY 2021
Cash flows from operating activities	\$ 169,100	\$ 113,751
Cash flows from investing activities	(15,980)	(13,943)
Cash flows from non-capital financing activities	10,145	6,915
Cash flows from capital and related financing activities	(91,454)	(332,738)
Change in net position	\$ 71,811	\$ (226,015)
Beginning of year	447,598	673,613
End of year	\$ 519,409	\$ 447,598



\$63.4 B
ANNUAL ECONOMIC IMPACT

1 IN 10
JOBS SUPPORTED

\$1.1 B
ANNUAL TAX REVENUE

ECONOMIC IMPACT

PORT-DEPENDENT BUSINESSES with recent SC Investments

UPSTATE
\$32.8 Billion (51.8%)
Total Jobs: 116,561



MIDLANDS
\$15.5 Billion (24.6%)
Total Jobs: 55,346



LOWCOUNTRY
\$7.8 Billion (12.3%)
Total Jobs: 27,781



PEE DEE
\$7.1 Billion (11.3%)
Total Jobs: 25,275



Source: USC Darla Moore School of Business, 2019 Economic Impact Study

ANNUAL VOLUMES

880,159



BREAKBULK CARGO TONNAGE

219,712



FINISHED VEHICLES

177,280



INLAND PORT RAIL LIFTS

123,336



CRUISE PASSENGERS

EXPORT

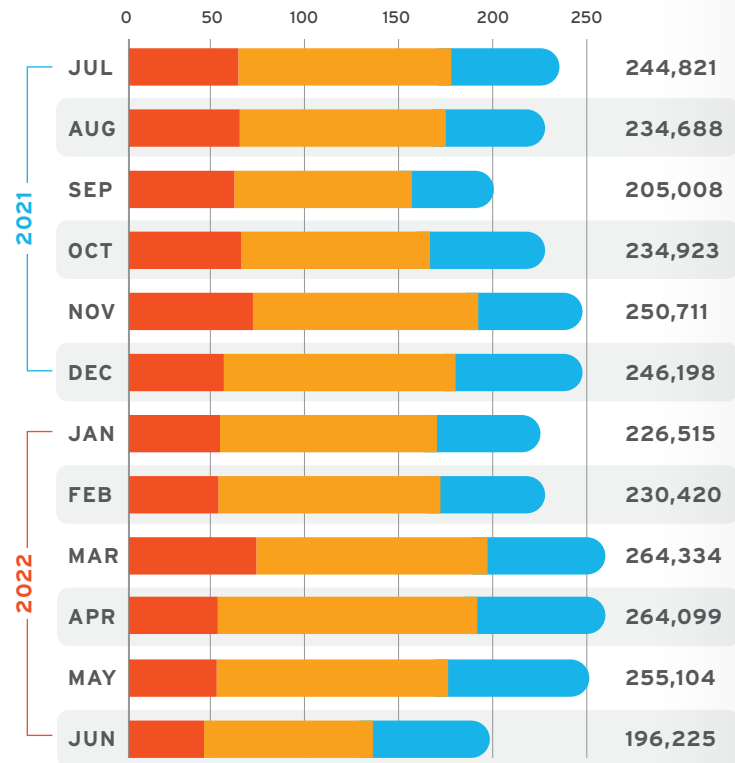
IMPORT

EMPTY

Consumer demand for retail goods drove significant growth during fiscal year 2022, leading to record volumes handled by the SC Ports team and their maritime partners.

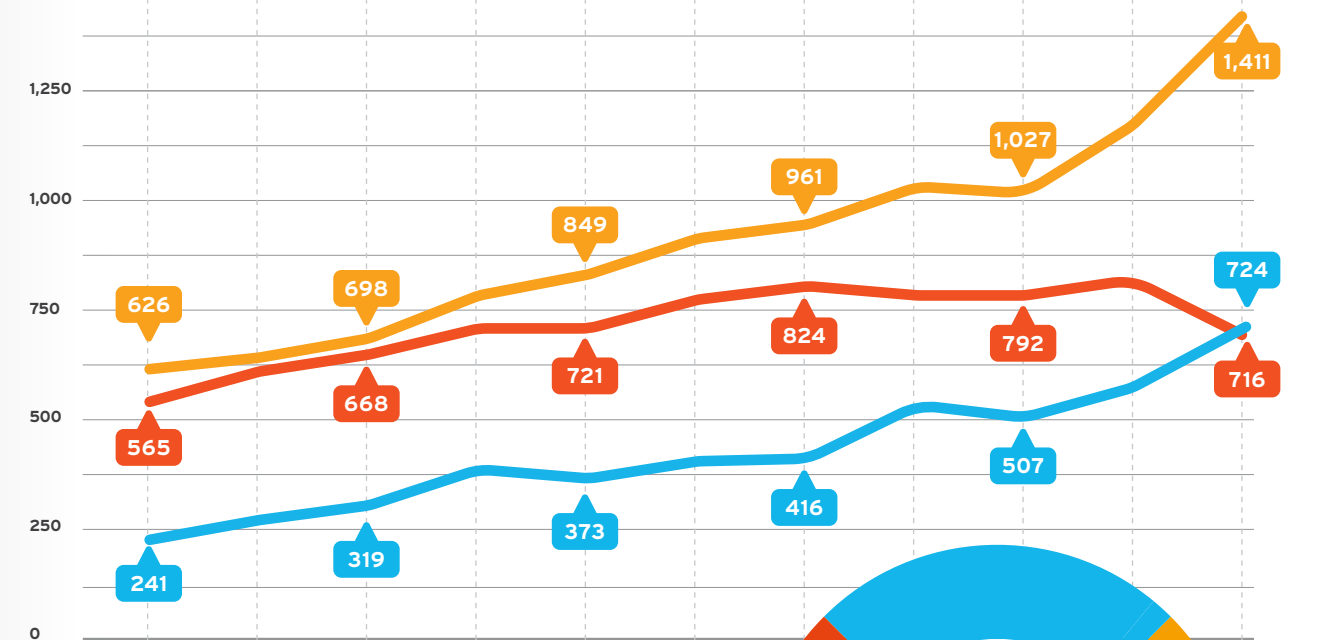
MONTHLY TEU VOLUME

TWENTY-FOOT-EQUIVALENT UNITS



ANNUAL TEU VOLUME

FISCAL YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	1,432,304	1,560,116 +8.92%	1,684,907 +8.00%	1,916,379 +13.74%	1,943,170 +1.40%	2,137,702 +10.01%	2,199,873 +2.91%	2,393,095 +8.78%	2,324,985 -2.85%	2,548,873 +9.63%	2,853,046 +11.93%



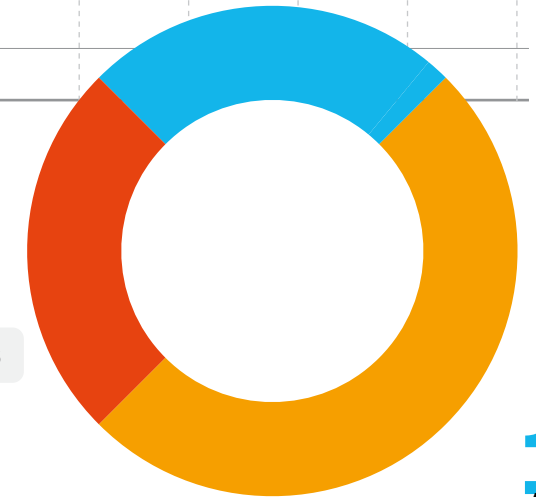
TOTAL FY2022 TEUS

2,853,046

1,411,993 LOADED IMPORTS

716,540 LOADED EXPORTS

724,513 EMPTY





CAPITAL EXPENDITURES

(Left) First delivery of the SMART Pool™ chassis fleet. Photograph by English Purcell.
(Right) Wando Welch Terminal has 15 ship-to-shore cranes and 52 feet of depth. Photograph by Walter Lagarenne.

01 \$98,925,727 SMART Pool™

SC Ports is launching its port-owned and port-operated SMART Pool™ chassis fleet in South Carolina. With a total investment of \$200 million, SC Ports will deploy nearly 13,000 chassis to significantly enhance fluidity for the Southeast supply chain. SC Ports' SMART Pool™ improves the availability, reliability, safety and quality of chassis for customers and motor carriers.

02 \$42,711,638 HLT Phase 1

In Leatherman Terminal's first year of operations, SC Ports finalized remaining payments for construction and equipment contracts for Phase One. The state-of-the-art container terminal boasts five ship-to-shore cranes with 169 feet of lift height, 700,000 TEUs of capacity and a much-needed berth for the East Coast port market. At full build-out, Leatherman Terminal will have 2.4 million TEUs of capacity and three berths.

03 \$5,576,904 Inland Port Greer

SC Ports is expanding Inland Port Greer to add more cargo and rail capacity to the rail-served inland terminal, helping to speed goods to market. The expansion involves building additional rail processing and storage tracks within the terminal, expanding the container yard to the east and west, enlarging the existing chassis yard, and building new facilities for port operations.

04 \$12,743,400 NBIF

SC Ports is developing the rail-served Navy Base Intermodal Facility to greatly increase capacity and fluidity for customers. This \$400 million project is fully funded by the state. The modern, near-dock, intermodal yard will be served by both CSX and Norfolk Southern. Work involves building the rail-served cargo yard, buying rail-mounted gantry cranes to move cargo on and off trains, and constructing a one-mile restricted drayage road that connects to Leatherman Terminal for trucks to drive containers back and forth.

05 \$29,755,023 Wando Welch Terminal

The \$500 million modernization effort of Wando Welch Terminal wrapped with the arrival of the final ship-to-shore cranes, making a total of 15 ship-to-shore cranes with 155 feet of lift height above the wharf deck. These taller cranes are designed to work mega container ships and efficiently handle the record cargo volumes flowing through the Port of Charleston. Future work involves building a toe wall to support the 52-foot harbor deepening project and lengthening the wharf to support an inner-harbor barge operation.

HARBOR DEEPENING

The Charleston Harbor Deepening Project is on track for completion in fall of 2022. At 52 feet, Charleston has the deepest harbor on the East Coast, up from 45 feet. The entrance channel is also being deepened to 54 feet, up from 47 feet. Four of the five major contracts are now complete, achieving 52 feet of depth to both Wando Welch Terminal and Leatherman Terminal. The fifth and final contract of \$32 million will be completed this fall, achieving 48 feet of depth to North Charleston Terminal.



NBIF UPDATE

SC Ports will soon have near-dock rail and an inner-harbor barge operation to ensure fluidity and capacity for the Southeast supply chain.

SC Ports is developing the Navy Base Intermodal Facility (NBIF), a modern, near-dock, rail-served intermodal yard that will be served by CSX and Norfolk Southern. Inside the facility, rail-mounted gantry cranes will move containers on and off the trains. Containers will be trucked on a one-mile restricted drayage road that connects to Leatherman Terminal.

DELIVERING CRITICAL INFRASTRUCTURE TO THE SUPPLY CHAIN

SC Ports' inner-harbor barge operation will support this effort by moving containers between Wando Welch Terminal (WWT) and Leatherman Terminal (HLT). This creative solution addresses trucking capacity and road congestion as more cargo flows through the Port of Charleston.

"These critical infrastructure projects will greatly enhance SC Ports' cargo capacity and rail competitiveness, allowing imports and exports to swiftly move between the hinterland and the Port of Charleston," SC Ports CEO Barbara Melvin said. "Being able to offer near-dock rail to our customers will attract more cargo to our port, which creates more jobs around the state."

Over the past two fiscal years, the SC Legislature and Governor Henry McMaster included \$550 million in the state budget to fully fund these projects, enabling construction to begin in 2022.

BARBARA MELVIN

PRESIDENT & CEO

"We are so grateful to our state leaders for their bold vision and for understanding what South Carolina businesses need to be successful. Because of their support, our strategic investments in critical port infrastructure will yield dividends to South Carolina for decades to come."





(Left) Hyde Park Plantation, a historic 589-acre property protected from development by SC Ports, helps wildlife and ecosystems thrive. Photograph by English Purcell.

(Right) SC Ports teammates and members of SC7, whose mission is to get people outdoors, observed Crab Bank in Charleston Harbor. Photograph by English Purcell.

ENVIRONMENTAL INITIATIVES

INVESTING IN CLEANER OPERATIONS

SC Ports consistently looks to reduce emissions and energy consumption within its operations. Recent initiatives include:

- + Deployed 25 hybrid, electric Rubber-Tired Gantry (RTG) cranes at Leatherman Terminal.
- + Completed 10 years of air monitoring at WWT and continued air monitoring at UPT and HLT.
- + Partnered with EPA and two trucking companies to deploy eight electric trucks in place of diesel trucks.
- + Progressed on the inner-harbor barge project to move containers via water, and expanded rail connections to further reduce truck emissions throughout the state.
- + In partnership with SCDHEC and EPA, upgraded six of 12 older RTG cranes with hybrid battery/genset engine systems at WWT.

PRESERVING AND RESTORING HABITATS

SC Ports has protected and restored important habitats as part of its environmental commitments for infrastructure projects, to bring lasting environmental successes to South Carolina.

- + In Berkeley County, the 604-acre Hyde Park Plantation was permanently protected with a conservation easement, made possible by the SC Ports-created Cooper River Revolving Fund.
- + SC Ports collaborated with Audubon to evaluate bird habitat and opportunities for improvement at dredged disposal sites in Charleston Harbor.
- + In North Charleston, SC Ports completed the engineering design for the Kings Grant marsh restoration project, providing enhanced wildlife habitat, floodwater storage, water quality improvements and coastal resilience.
- + Drum Island now has a thriving ecosystem of birds and marine life, following SC Ports' restoration of 22 acres of salt marsh in 2019. SC Ports and SC Department of Natural Resources planted another 100 feet of oyster reef around Drum Island, bringing even greater ecological benefits to Charleston Harbor.
- + Following an extensive renourishment using dredged material from the Charleston Harbor Deepening Project, the Crab Bank Seabird Sanctuary welcomed back the first nesting birds this year. SC Ports continues to support this collaborative effort by providing \$10,000 annually over 10 years.
- + In Ridgeville, SC Ports restored bottomland hardwood swamps by removing pines and allowing hardwood species to flourish.



PORT AMBASSADOR PROGRAM

CLASS OF 2021-2022

SC Ports celebrated the graduation of 26 Port Ambassadors from its 2021-2022 class, with each delegate having gained a deep understanding of how SC Ports connects to South Carolina's economy.

The SC Ports' Port Ambassador Program is a yearlong curriculum that provides an in-depth look into port operations. Port Ambassadors hear from SC Ports' teammates, legislators and business leaders. They tour port terminals, inland ports and port-dependent businesses to better understand port operations and the business that depend on them.

Since the program's inception in 2016, more than 100 ambassadors have graduated.

JUWAN AYERS
Synovus Bank

KARL BRADY
Teach for America-SC
Charleston City Council

**LAJOIA
BROUGHTON**
Adams & Reese

JENNIFER BROWN
Charleston County
Economic Development

JAMES BRUNSON
Orangeburg Medical

JODY BRYSON
SC Technology and
Aviation Center

WILLIS CANTEY
Cantey Tech Consulting

**TUSHAR
CHIKHLIKER**
Nexsen Pruet

BRIAN FRERICH
Stephens Private Wealth Mgmt.

ROB HONEYCUTT
SixAxis

FELICIA HOWARD
Dominion Energy

PAT HUDSON
Willoughby & Hoefer

ANDREW LESINSKI
Cardinal Logistics

EDWARD MCKELVEY
South State Bank

**CHRISTOPHER
MCKINNEY**
10X Leadership Consulting

PHILLIP OBIE
Santee Cooper
Berkeley County Council

BILL OTIS
Former mayor of
Pawley's Island

ROBBY ROBBINS
Thurmond Kirchner & Timbes

**JOAN
ROBINSON-
BERRY**
Boeing

WILL SALTERS
Terracon

**HEATHER
SIMMONS-
JONES**
MRB Group

**LYNN STOKES-
MURRAY**
Burr Forman

**REBECCA
VANCE**
Vance LLC

JIM WANNER
Keymark

**CLAY
WILLIAMS**
NAI Earle Furman

**NATALIE
ZEIGLER**
City of Goose Creek



SENATOR LARRY GROOMS

CHAIRMAN
S.C. Senate Transportation Committee and
the Review and Oversight Commission on
the South Carolina State Ports Authority

"Seeing port operations firsthand drives home the importance of having a world-class port in South Carolina, as many of our port-dependent businesses and the jobs they create are tied to SC Ports."

COMMUNITY GIVING PROGRAM

South Carolina Ports' mission extends well beyond its gates.

Through its FY22 Community Giving Program, SC Ports awarded \$205,000 to 111 community organizations and nonprofits throughout the state.

Many of this year's grant recipients work to improve children's lives through mentoring programs, outdoor enrichment activities and confidence-building curricula. SC Ports' grants will support more than 135,000 children throughout South Carolina this year.

Other grant recipients focus on addressing food insecurity in their communities, offering wellness programs to the underserved, and expanding workforce development initiatives that support port operations.

STRATEGIC PRIORITIES

Our strategic priorities and values drive the work we do every day.

As a top 10 U.S. container port, SC Ports will continue to deliver on our strategic priorities for the benefit of our customers, stakeholders and communities. Port growth creates jobs, and SC Ports is proud to make positive, generational impacts on South Carolina. With the best port team and maritime community in the country, we will continue to achieve great things together.



1
Advance operational excellence



2
Grow and anchor our cargo base



3
Deliver critical infrastructure



4
Care for our Port Team Members & Maritime Community Teammates



BARBARA MELVIN

PRESIDENT & CEO

“With the skill and talent of our team, the solid experience from our maritime community, the guidance from our Board of Directors, and the support from our elected, business and community leaders, SC Ports will continue to grow, bringing jobs and investments to our state. Our port investments will yield economic benefits for generations to come.”



PORT VALUES

SAFE AND SECURE



Adaptability



Business Minded



Customer Focus



Decisiveness



Enthusiasm



Faith in Each Other